

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF THE SCIENCE & TECHNOLOGY ADVISORY COUNCIL

PUBLIC SESSION

January 17, 2007

The Science & Technology Advisory Council ("STAC") met on Wednesday, January 17, 2007 in Public Session at 1:00 p.m. in the Rhode Island Room at the RI Foundation, Providence, Rhode Island pursuant to notice of the meeting to all Members and public notice of meeting, a copy of which is attached hereto, as required by applicable Rhode Island Law.

The following Members were present and participated throughout the meeting as indicated: Dr. Clyde Briant (Co-Chair), Mr. Paul Choquette Jr., Ms. Kimball Hall, Dr. David Hibbitt, Mr. Saul Kaplan, Dr. Richard Nadolink, Dr. Thomas Rockett, Dr. Jeffrey Seemann (Co-Chair), Mr. Donald Stanford.

Members absent were: Dr. Joseph Amaral, Dr. Margaret Leinen, Mr. Daniel Martin and Mr. Thomas Ryan.

Also present were Governor Carcieri, Lt. Governor Roberts, members of the Governor's and RIEDC's staff and Attorney Robert I. Stolzman. Drs. Briant and Seemann presided over the meeting.

WELCOME

Dr. Seemann called the meeting to order at 1:05 p.m. and introduced Governor Carcieri who wished to make a special announcement regarding the RI Research Alliance Collaborative Grant Awards. The Governor thanked the General Assembly for all their support of STAC, including the \$1.5 million in funding appropriated to the Research Alliance for direct support of catalytic, collaborative research. He congratulated the grant awardees stating how exciting their activities are and how they showcase RI's strengths. Dr. Seemann then read the list of awardees and summaries of their research, asking those present to stand for acknowledgement when named.

INTRODUCTION OF NEW MEMBER

Next Dr. Seemann announced Cheryl Snead had resigned from the Council and Daniel Martin, Vice President of Maritime Mission Systems for Raytheon has been appointed to complete her term. He extended gratitude to Ms. Snead on behalf of STAC for her efforts during the early stage of the Council's work.

APPROVAL OF BY-LAWS

Council members then reviewed by-laws drafted by legal counsel and staff. Upon a motion duly made by Mr. Choquette and seconded by Mr. Stanford, the by-laws were approved as presented to the Council, contingent on counsel Robert Stolzman confirming that the correct statute is referenced in the indemnification section.

APPROVAL OF MINUTES

Citing no changes, upon a motion duly made by Dr. Hibbitt and seconded by Mr. Stanford, the minutes of the STAC meeting of October 10, 2006 were accepted as presented to the Council.

PROGRESS REPORT ON 2006 *innovate RI* RECOMMENDATIONS

Following the administrative business, Dr. Seemann turned the meeting over to co-chair Dr. Briant. Introducing the progress made to date on the 2006 recommendations, Dr. Briant underscored that building an innovation economy is an extremely important issue that must be addressed if RI is to have the knowledge based, technology driven economy that will define the 21st century. He then provided the following update:

Research Alliance

The Research Alliance launched the Collaborative Research Grant Award. Forty-five proposals were submitted by the teams of researchers from our private and public institutions. Direct research funding was awarded to eight teams comprising 32 scientists from 15 research organizations pursuing projects in medicine, engineering, chemistry, biology, oceanography and environmental science. This exercise highlighted the need for a central statewide Research Database and for providing other opportunities to foster personal interaction among our researchers. STAC will work for the remainder of the year to administer the grant process, to work with EPSCoR to develop a central database and to support symposia and other meetings of RI researchers with their colleagues in EPSCoR, COBRE and INBRE.

URI Commission

Tasked with forming a blue ribbon commission to make recommendations on how to strengthen URI's position as a nationally competitive public research university and a key drive in RI's innovation economy, STAC has begun the work of staffing up the committee. Dr. Briant thanked members for their suggestions and stated the members of the Commission are slated to be named and begin work in 2007.

Innovation Tax Credit

The General Assembly authorized a tax credit for up to 50% of investment in a company that is in an industry identified by STAC as an innovation industry. The maximum amount of this credit was set at \$100,000. Counsel is drafting regulations and anticipates the regulation process will be final by March. Dr. Briant asked the members to vote to advise EDC, that, until further notice, to use NAICS codes that correlate to eight high wage clusters when defining innovation industries. Upon a motion duly made by Mr. Stanford and seconded by Mr. Kaplan, the eight high wage clusters were accepted as presented to the Council.

RIWINS

The RI WINS pilot is currently testing the network's effectiveness and trouble shooting issues in advance of the statewide rollout to make RI the first border-to-border wireless state opening all sorts of opportunities to develop novel ways to share information in the areas of healthcare, business, education and public safety.

Continued Support for STAC

As a permanent body, STAC is now able to identify and support programs that align with its mission. FIRST Vex, a program to bring robotics instruction and competition to high school students, is a perfect example of this work. With the support of STAC, the BIF and the State, we will be the first state to offer the program on a statewide basis. This program is a natural fit with STAC's mission to strengthen the state's research platform, encourage entrepreneurship and prepare our children to participate in the 21st century economy.

Dr. Briant turned the meeting back to Dr. Seemann to announce the 2007 recommendations. Dr. Seemann stated that it is imperative that STAC and the State of RI continue to make investments that will propel RI into the 21st century and summarized five recommendations STAC proposes to build upon the progress made thus far as well as some new directions.

Continue support for the Research Alliance

Researchers in RI have demonstrated the need for direct investment in research and the development of a common research platform to enhance their efforts to engage in catalytic research that has the potential for follow-up funding and/or commercialization and technology transfer.

Support the statewide build-out of a wireless network

RIWINS is in its final stage of development and we need to support RI's unique competitive advantage in this area. RI's size and geography will enable WINS to quickly and cost-effectively build and demonstrate the value of a statewide network.

Launch the RI IT and Digital Media Center as an incubator for new company creation

A new sector is emerging that will create innovative new products, services and high wage jobs. To incent this sector, STAC recommends creating a center that will be the keystone in building a culture of information technology and digital media entrepreneurship and will raise RI's profile as a regional and national IT area.

Create a new vision for the workforce development requirements of a 21st century innovation economy

Well trained and well educated workers are the foundation of any economy. To ensure our workers have the skills and knowledge demanded in the future, STAC will partner with RI's workforce development advocates and program providers to develop strategies and recommendations to prepare all workers to meet the requirements of the 21st century.

Continue support for STAC

Creating an innovation economy requires consistency of investment over time. Continued support of STAC will allow the Council to implement current recommendations and create follow-on recommendations that build upon the success to date.

Mr. Choquette expressed the need to support a continuing commitment to the Research Alliance to make it a multiyear effort and Dr. Rockett noted that attention should be given to administration of the grants as the program proceeds into future years.

In response to an inquiry by Mr. Choquette, Mr. Kaplan stated the approximately \$1 million had been expended to date to bring RI-WINs to a proof-of-concept state. No further direct funding is requested from the state treasury. The \$28 million capital enhancement bond is not a direct expenditure. It is a state guarantee that is necessary to enhance the credit profile for a private loan.

Upon inquiry from Mr. Choquette regarding the development of the IT and Digital Media sector, Mr. Kaplan assured that these efforts will not be to the exclusion of further support for our strong bio science sector and will complement those efforts.

In response to a comment by Mr. Choquette that there were many advocates addressing workforce concerns, Mr. Kaplan explained that STAC's role will be to work with these existing advocates to help define the requirements of a 21st century workforce.

Lt. Governor Roberts remarked STAC presented an excellent model for collaboration among groups with different perspectives on complex issues and offered her support and assistance if needed.

New Business

There was no new business.

Adjournment

There being no further business in Public Session, upon a motion duly made by Mr. Stanford and seconded by Mr. Hibbitt, the meeting was adjourned at 2:30 p.m. The next meeting for STAC will be April 25, 2007.

Christine M.B. Smith